IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O. O. C. J.
WRIT PETITION NO.2575 OF 2006

Standard Chartered Grindlays Bank. ...Petitioner.

Vs.

Mr. Gurbinder S. Sodhi & Ors. ... Respondents.

Mr. P. K. Rele with Mr. B.K. Ashok for the Petitioner.
Respondent No.1 in person.

CORAM : DR.D.Y.CHANDRACHUD, J.
October 11, 2006.

P.C.

Rule, by consent of Counsel returnable forthwith. Counsel appearing on behalf of the Respondents waive service. By consent of Counsel and at their request taken up for hearing and final disposal.

An order has been passed by the Controlling Authority under the Payment of Gratuity Act, 1972 on 19th May 2006, directing the Petitioner to pay to the First Respondent, the dues on account of gratuity, quantified at Rs.2,61,900/- together with interest at the rate of 10% per annum from 6th November 2001. The Petitioner filed an appeal before the Appellate Authority together with an application for stay. The appeal was dismissed on 21st June 2006 for failure to comply with the mandatory condition of deposit under Section 7(7) of the Payment of Gratuity Act, 1972, read with Rule 18(3) of the Rules. The Petitioner thereupon applied for setting aside the order on 10th July 2006 which was,

however, dismissed on 25th July 2006. On 26th July 2006, the Petitioner has deposited an amount of Rs.2,61,900/- with the Assistant Labour Commissioner (Central-III) who is the Controlling Authority. Counsel appearing on behalf of the Petitioner submitted that since the deposit of the dues on account of gratuity has been effected, the Appellate Authority may be directed to dispose of the appeal on merits. In response to the notice issued by the Court, the First Respondent has appeared in person. Though undoubtedly the Petitioner had initially not furnished a deposit, the Petitioner has in fact, now done so, in so far as the basic dues of gratuity are concerned. In these circumstances, the interest of justice do warrant that the Petitioner should be given an opportunity of availing of the appellate remedy. Having regard to the provisions of Section 7(7) of the Payment of Gratuity Act, 1972, read with Section 7(3A), the Petitioner shall deposit the total amount of interest calculated with reference to the order passed by the Controlling Authority within a period of two weeks from today. Upon such deposit, the appeal filed by the Petitioner shall be heard and disposed of on merits. Upon deposit of the amount towards interest, the orders of the Appellate Authority dated 16th June 2006 and 25th July 2006 shall stand quashed and set aside and the appeal shall be set down for hearing on merits. The

amount deposited shall not be disbursed until the appeal is finally disposed of. The parties shall appear before the Appellate Authority for receiving directions on 30th October 2006 and the Appellate Authority shall endeavour to dispose of the appeal on or before 30th November 2006. The Petitioner agrees to pay costs to the First Respondent quantified at Rs.7,500/- within a period of two weeks from today.

The Petition is disposed of in the aforesaid terms.

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